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Prepared By (Subject Responsible)		Approved By (Document Responsible)	Checked
ETKDDR Darko Dumbović		ETK [Gordana Kovačević]	
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ETK-2022:00425 Uen	A	2022-06-03	



## POLICY ON MANAGEMENT OF CONFLICT OF INTEREST ERICSSON NIKOLA TESLA d.d.

(Hereinafter: "Policy")

### Purpose

This Policy relates to the Code of Business Ethics Ericsson Nikola Tesla Group, which is available at: [Code of Business Ethics](#). Ericsson Nikola Tesla d.d. (hereinafter: "ETK") makes business decisions based on its best business interests, rather than personal considerations or relationships. In ETK's business, certain situations are possible where ETK's business interest differs from its employees' personal interests. In order for ETK to conduct its business properly, such situations must be solved timely, ethically and responsibly. This Policy applies to all ETK employees and situations when they are in a Conflict of Interest (as the concept is defined in the section below).

The Policy will be conducted within ETK, with intention to be applied also in other members of ENT Group (as defined below).

ENT Group consists of ETK and its following subsidiaries and branch offices: Ericsson Nikola Tesla Servisi d.o.o., Ericsson Nikola Tesla BH d.o.o., Libratel d.o.o., Ericsson Nikola Tesla BY d.o.o. and Ericsson Nikola Tesla d.d. - Branch office Kosovo.

### Conflict of Interest

A Conflict of Interest may arise if any effort or action impacts or seems to impact the ability of an ETK employee to act impartially or reduces its ability to perform his duties as an employee in a way that is to the maximum extent possible in ETK business interest because, at the same time, there is a motivation to gain a personal advantage.

**A Conflict of Interest** is any situation in which a personal interest (political, business, financial, etc.) of an employee differs from or might differ from ETK business interest.

**A Real Conflict of Interest** implies an existing conflict between an employee's personal interest and ETK business interest.

**A Potential Conflict of Interest** implies a situation in which an employee's personal interest might conflict with ETK business interest.

Employees should, by applying attention that is usually required when performing work assignments, avoid situations where they would find themselves in a Potential or Real Conflict of Interest.

### Examples

The following are examples of situations that employees must be particularly aware of, where Conflicts of Interest are likely to arise:

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**Receiving benefits and use of confidential information** - employees may receive gifts, entertainment or hospitality from third parties only in accordance with the [Code of Business Ethics](#). Except as stipulated under this Code, receiving from third parties is not permitted. Also, employees may not use confidential information learned in course of their work within ETK to trade with financial instruments (including, but not limited to, securities).

**Relationships in ETK** – when it comes to relationships in ETK, situations that present a Conflict of Interest should be avoided. Employees must not be in a management, subordinate or controlling relationship with the persons that are closely related to them (e.g. they are married or close relatives).

**Business opportunities** – employees should not use for themselves, their family and friends, the business opportunities that they encounter while performing duties for ETK, if this could be contrary to the ETK business interests. Employees may not otherwise misuse ETK property or information or their position at ETK for personal gain or for the gain of their family or friends.

**Other Employment or engagement** – employees may not take any employment or engagement outside ETK, with or without compensation, that harms or may harm job performance at ETK or creates a Conflict of Interest. Employees may not engage in outside business interests that divert time and attention away from their responsibilities in ETK or require work during ETK working time. Employees shall avoid any Potential Conflict of Interest by not accepting employment or engagement from any ICT organization or any supplier, agent, customer, or competitor of ETK and its related companies, unless the engagement is accepted on behalf of or at the request of ETK.

**Positions outside ETK** – employees must not take a position in a management board, a supervisory board, a board of directors or a similar management and supervisory body of another legal entity or association (including non-profit organizations) if it creates a Conflict of Interest or could adversely affect their performance of duties or work for ETK. For example, it is not permitted that an employee assumes a position in a management board, a supervisory board, a board of directors or a similar management and supervisory body in a competitor, customer, supplier, or strategic partner of ETK and its related companies.

A position in a management board, a supervisory board, a board of directors or a similar management, advisory and supervisory body in another entity or association, is permitted only if it is approved in advance by ETK in line with this Policy. The above position and activities for member of ETK Management board shall be approved by ETK Supervisory board. Member of ETK Management board may not hold more than two positions in a management board or a supervisory board in companies outside ENT Group. Members of ETK Supervisory board are obliged to inform ETK Company Secretary of their position in a management board or a supervisory board in companies outside ENT Group.

A position in a management board, a supervisory board, a board of directors or a similar management, advisory and supervisory or representative role in a public authority body<sup>1</sup>, as well as public service role is permitted after the request of employee ETK estimates that such activities are not and will not represent a Potential or Real Conflict of Interest with ENT Group.

<sup>1</sup>“Public authority bodies”, for the purpose of this Policy, are the public authorities, other state authorities, bodies of the local and regional self-government units, legal entities and other persons vested with public authority, legal entities established by the Republic of Croatia or the local and regional self-government units, legal entities engaged in public service, legal entities entirely funded by the state budget or the budget of the local and regional self-government units or from public resources (taxes, contributions, etc.), and companies in which the Republic of Croatia or the local and regional self-government units hold individual or joint majority ownership.

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After given approval for such additional engagement, an employee is due to withdraw from advising or deciding in subjects that could represent a Conflict of Interest with ENT Group, ETK has right to annul previously given approval if a Conflict of Interest is determined after the approval was given.

The internal document Additional employment or engagement of ETK Group's employees describes a process that employees must adhere to get approval for additional employment or engagement.

**Political activities** – ETK will not make contributions or payment or otherwise give any endorsement, directly or indirectly, to political parties or committees or to individual politicians. Employees may not make any political contribution on behalf of ETK or by use of ETK funds or resources. Unless otherwise is expressly stipulated by applicable, mandatory regulations, an employee's political engagement and political beliefs may not be directly linked to ETK or their workplace at ETK. This especially applies to mentioning of ETK business activities and activities related to their workplace in ETK during their political engagement or stating a political belief.

**Public appearances** – Except in cases of public appearances made on behalf of ETK and with ETK approval) or in cases when it is expressly stipulated by applicable, mandatory regulations, employees may not directly link their public appearances with ETK or their workplace at ETK. This especially applies to mentioning ETK business activities and activities related to their workplace at ETK during their public appearances.

#### Supplier, agent and business partner screening

Prior to engaging in a business relationship, ETK carries out thorough checks of its potential suppliers, agents, and business partners. As a special risk, existence of a Conflict of Interest with the potential supplier, agent or business partner is being investigated. Such screening of a potential supplier, agent or business partner reduces the possibility of a Conflict of Interest in ETK business.

#### Informing about a Conflict of Interest

In all the cases when an employee would like to perform an additional activity or performs such activity already, to estimate if there is a Real Conflict of Interest or Potential Conflict of Interest, an employee is obliged to immediately reveal the nature of the Conflict of Interest: first to the manager of the organizational unit in which the employee works, then to People organization at ETK (hereinafter: "People") and ask for an approval to continue or start an additional activity.

ETK Compliance and Investigation Officer provides professional support to People during the process of assessment whether there is a risk of Conflict of Interest. ETK Legal Affairs provides legal support (legal interpretations) and checks if there is a legal proceeding between a company of an employee's intended additional engagement and ENT Group companies.

People inform ETK Management Board about their assessment and give it clear recommendations and suggested measures. Final decision on every particular case shall be made by ETK Management Board.

If anyone considers that an employee is in a Conflict of Interest, one can report potential Conflict of Interest by using reporting process via e-mail: [compliance.etk@ericsson.com](mailto:compliance.etk@ericsson.com) or anonymously via [Internet](#). Following such a report ETK Compliance and Investigation Officer will notify manager of the employee's organizational unit and People, and procedure as prescribed under this Policy shall be conducted for the

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purpose of applying mitigation or resolving measures to a Conflict of Interest. All the reported cases will be treated as strictly confidential and in line with applicable regulations on personal data protection.

### Informing about a Conflict of Interest of a member of the Management Board and Supervisory Board

If a member of the Management Board or the Supervisory Board believes to be in the Conflict of Interest with respect to a certain decision, she or he must inform the Supervisory Board thereof.

If a member of the Management Board or the Supervisory Board has reason to believe that another member of the Supervisory Board has not reported a Conflict of Interest, she or he must inform the Supervisory Board and the Management Board thereof. If a member of the Management Board or the Supervisory Board believes that the Chairman of the Supervisory Board is in a Conflict of Interest, she or he shall inform the Supervisory Board thereof.

### Records of Conflicts of Interest

People keep records of reported and processed cases of Conflicts of Interest. Written records must be kept on all the documents, evidence, measures and reached decisions. Information contained in the records enables an effective definition, escalation, and management of a Conflict of Interest.

The Supervisory Board must keep records of all notifications regarding the Conflict of Interest of a member of the Management Board or the Supervisory Board.

### Policy infringement

Actions by employees that are contrary to this Policy present a breach of their employment obligation and are subject to consequences as specified by the Labor Act and other applicable regulations that regulate employment relations.

### Publication

This Policy was pre-approved by the ETK Supervisory Board.

This Policy shall come into force on the eighth day following its publication on ETK bulletin boards.

By coming into force of this Policy, the earlier version of Policy ETK-2019:00693 Uen dated 31.08.2020 is no longer valid.

This Policy was published on ETK bulletin boards and the Internet pages of ENT Group on 03.06.2022 and shall be further available.